

**TRANSMITTAL LETTER
(General - Patent Pending)**

Docket No.
98-113

In Re Application Of: Jay S. Walker et al.

Application No.	Filing Date	Examiner	Customer No.	Group Art Unit	Confirmation No.
09/350,875	July 9, 1999	Gerald J. O'Connor	22927	3627	8896

Title:

MULTI-TIER PRICING OF INDIVIDUAL PRODUCTS BASED ON VOLUME DISCOUNTS

COMMISSIONER FOR PATENTS:

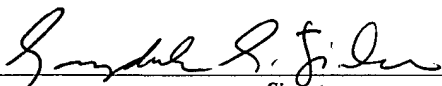
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Reply Brief to Examiner's Answer, (6 pp.); and
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in the above identified application.

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- ☒ Charge any additional fee required.
- ☐ Payment by credit card. Form PTO-2038 is attached.

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Dated: April 10, 2006

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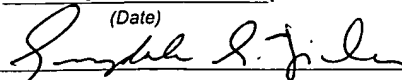
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April 10, 2006

(Date)



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Magdalena M. Fincham

Typed or Printed Name of Person Mailing Correspondence

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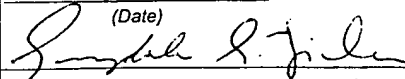
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

CUSTOMER NO. 22927

Appellants: Jay S. Walker, Andrew S. Van Luchene, Magdalena Mik
Fincham, and Daniel E. Tedesco

Application No.: 09/350,875

Filed: July 09, 1999

Title: MULTI-TIER PRICING OF INDIVIDUAL PRODUCTS
BASED ON VOLUME DISCOUNTS

Attorney Docket No. 98-113

Group Art Unit: 3627

Examiner: Gerald J. O'Connor

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SUPPLEMENTAL REPLY BRIEF

Appellants hereby reply to the Supplemental Examiner's Answer mailed February 08, 2006. Applicants hereby request that the Appeal be maintained and that the remarks provided below be considered.

REMARKS

The following documents are referred to herein as follows:

- The Supplemental Appeal Brief, filed June 10, 2004.
- The Supplemental Examiner's Answer, filed February 06, 2006.

In response to the Board's Remand to the Examiner, mailed January 12, 2006, the Examiner provided a Supplemental Examiner's Answer, providing additional support for the §101 rejection of claims 1 – 15, 32 and 57 – 71, in light of the Board's recent decision in Ex parte Lundgren, Appeal No. 2003-2088, 9 (BPAI Oct., 2005), which was decided after the present Appeal was filed. Appellants provide herein a supplemental response to the Examiner's new reasoning in support of the §101 rejection, provided on pages 6 – 13 of the Supplemental Examiner's Answer.

1. In response to the Examiner's allegation that claims 1, 5, and 70 are directed to non-statutory subject matter because the claims are directed to a non-machine-implemented process (pages 7 – 8 of the Supplemental Examiner's Answer):

Appellants agree with the Examiner's allegation that the claims do not require any computer at all (page 7, first paragraph of the Supplemental Examiner's Answer). However, as Appellants argued in detail in the Supplemental Appeal Brief, sections 1.6.2 through 1.6.5 (pages 29 – 37), there is no requirement in the law that, in order for a claim to be directed to statutory subject matter, that it be implemented via a computer or other machine.

2. Regarding the Examiner's allegation that claims 1, 5 and 70 are directed to an Abstract Idea (pages 8 – 10 of the Supplemental Examiner's Answer):

The Examiner alleges that the claimed processes for calculating a purchase total (claim 1), applying the purchase total (claim 5) and selecting the purchase total (claim 70) are directed to an abstract idea because the method is not tied to a machine and covers “any and every possible way that the steps may be performed”. The Examiner relies on Gottschalk v. Benson as support for his proposition that claims 1, 5 and 70 are directed to an abstract idea.

First, Appellants respectfully submit, with respect to the Examiner's suggestion that a process must be machine-implemented in order to be directed to statutory subject matter, the Examiner is merely reincarnating the rejection as it stood prior to Ex Parte Lundgren. This is improper and clearly contrary to the Board's decision in Ex Parte Lundgren.

Secondly, Appellants respectfully submit, with respect to the Examiner's suggestion that a physical transformation must occur in order for the claimed methods to not be directed merely to an abstract idea, a physical transformation is merely one example of a feature that may provide evidence of statutory subject matter (as addressed in section 3 of this document, below).

Thirdly, Appellants respectfully disagree that the methods of claims 1, 5 and 70 cover any and every possible way that an algorithm or principle may be performed. Appellants are claiming a very particular method for calculating a purchase total for a transaction. This is not nearly as sweeping and abstract as the binary conversion method at issue in Gottschalk v. Benson, in which the court was concerned because the conversion method could possibly have been applied in any and all environments. For example, the method as claimed in independent claim 1 does not cover the steps as applied to calculate a number other than a purchase total for a transaction. By interpreting Gottschalk v. Benson as requiring

a process to be claimed as implemented in a particular machine, the Examiner is effectively ignoring the Board's decision in Ex Parte Lundgren.

3. Regarding the Examiner's allegation that the claimed process must perform some physical transformation in order for it to be directed to statutory subject matter (page 10 of the Supplemental Examiner's Answer):

As Appellants already argued in the Supplemental Appeal Brief, pages 30 – 31, “the only and ultimate test of statutory subject matter is whether the claims produce a useful, concrete and tangible result...While other criteria, if satisfied, may be useful in indicating the presence of a ‘useful, concrete and tangible result’ (and therefore indicate that a claim is directed to statutory subject matter), the absence of such criteria does not preclude a finding of statutory subject matter...a physical transformation by a claimed process is one example (but not a requirement) of how a mathematical algorithm may bring about a useful application. AT & T Corp., 172 F.3d at 1357. See also, Diamond v. Diehr, 450 U.S. 175, 192, 67 L.Ed.2d 155, 169, 101 S.Ct. 1048, 1059 – 60 (1981) (the ‘e.g.’ signal denotes that physical transformation is an example, not an exclusive requirement for satisfying §101); Arrhythmia Research Tech., 958 F.2d 1053, 1060, 22 USPQ2d 1033, 1039 (Fed. Cir. 1992) (the transformation simply confirmed that Arrhythmia's method claims satisfied §101 because the method produced a number which had specific meaning – a useful, concrete, tangible result – not a mathematical abstraction).” Supplemental Appeal Brief, page 30.

4. In Response to the Examiner's allegation that claims 1, 5 and 70 do not produce a useful, concrete and tangible result (pages 10 – 11 of the Supplemental Examiner's Answer):

As Appellants already argued in detail in the Supplemental Appeal Brief, the claims do in fact produce a useful, concrete and tangible result. See, e.g., §1.6.3, page 30 (with respect to claim 1), §2.6.3, page 44 (with respect to claim 5) and §3.6.3, page 54 (with respect to claim 70) of the Supplemental Appeal Brief.

CONCLUSION

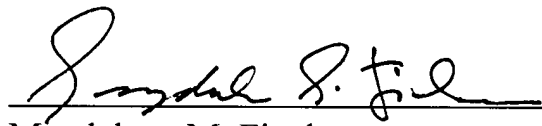
Appellants respectfully request that the Examiner's rejections be reversed for the reasons specified in this Supplemental Reply Brief and in the Supplemental Appeal Brief.

If any issues remain, or if there are any further suggestions for expediting allowance of the present application, please contact Magdalena M. Fincham using the information provided below.

Please charge any fees that may be required for this document, or credit any overpayment, to Deposit Account No. 50-0271.

Respectfully submitted,

April 10, 2006
Date


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